

Purpose

This information document provides key information about this investment product. It is not marketing material. This information is required by law to help you understand the nature, risk, costs and potential gains and losses of this product, and to help you compare it to other products.

Product

Name of the product	XRPetc - ETC Group Physical XRP (“ GXRP ”)
Product numbers	ISIN: DE000A3GYNBO
PRIIP Manufacturer	ETC Issuance GmbH (“ Issuer ”) (https://etc-group.com) The issuer forms part of the ETC Group.
Phone number	49 69 8088 3728
Competent authority of the manufacturer of the product	The Federal Financial Supervisory Authority (BaFin) Germany is responsible for supervising the Issuer in relation to this Key Information Document.
Key information document created:	13/04/2022, 16:30
Key information document last updated:	17/01/2023, 16:30 (version 15)

You are about to purchase a product that is not simple and may be difficult to understand.

What type of product is this?

Type

GXRPs are bearer bonds under German law that are secured by Ripple deposited in a depository for safekeeping.

Term

The product does not have a fixed term, subject to exercise by the investor or termination by the Issuer.

Objectives

Investors who wish to invest in the cryptocurrency Ripple (“**Ripple**”) as specified in the “Underlying” field in the table below as part of their investment strategy can purchase this product, the value of which is based on the Ripple price, on the secondary market or from an “Authorised Participant”. The product is purchased through the secondary market in fiat currency. Payment of the product purchased through an Authorised Participant may be made either in Ripple, in another cryptocurrency or in such fiat currency as the respective Authorised Participant accepts.

Ripple received by the Issuer as consideration from the sale of the product to Authorised Participants are transferred to a designated security account as collateral. This means that for each unit of the product in circulation, a predefined Ripple amount is available to hedge the product (the “**Cryptocurrency Entitlement**”). At the time of issue, this is 15.0 Ripple and decreases continuously in value by 1.95% annually, calculated on a daily basis from the Cryptocurrency Entitlement of each unit of the product over the entire holding period of the product. This means that the Cryptocurrency Entitlement per share decreases by approximately 0.00534247% every day (= 1/365 of 1.95%). Ripple held to back GXRP are held institutionally by BitGo Trust Company Inc, a regulated qualified cryptocurrency depository in South Dakota, USA (the “**Depository**”). The Issuer has appointed APEX Corporate Trustees (UK) Limited (the “**Collateral Trustee**”) as a collateral trustee to hold the collateral rights for the Ripple deposited with the Depository on behalf of all current and future GXRP holders.

Termination by the Investor: An investor may sell the product anytime on the stock exchange. Alternatively, the product can be terminated in whole or in part, with the Issuer or an Authorised Participant (Certain terms and conditions apply) at any time. Repayment always takes place in Ripple. The Investor’s claim to repayment corresponds to the Cryptocurrency Entitlement on the repayment date less repayment fees. An Authorised Participant or the Issuer transfers this claim to the Digital Wallet specified by the Investor on the repayment date. If, for legal reasons, an investor is prevented from receiving payments in Ripple, the Investor may request repayment in USD (“**US Dollar**”) as an alternative to repayment in Ripple. The investor will then receive an amount of money in USD equal to the amount obtained in an auction for the collateral Ripple.

Mandatory Redemption by the Issuer: The product terms and conditions also state that, if certain events occur, the Issuer may repay the product prematurely in Ripple or, if an investor is prevented from obtaining Ripple for legal reasons, in USD. These events are explained in more detail in the product terms and conditions. It is likely that any return the Investor receives in the event of such early repayment will be different from the scenarios described above and may be considerably less than the amount that the Investor invested upon purchase. Total loss is also possible. Furthermore, investors run the risk that termination will be requested at a time that is unfavourable to them and that they will only be able to reinvest the terminated amount on worse conditions.

Underlying	Ripple (Bloomberg ticker: XRP CFX Curncy)	Product currency	US Dollar
Issue Date	07.04.2022	Trading Day	A day on which the Frankfurt Stock Exchange is open.
Cryptocurrency Entitlement per unit of security	Initially 15.0 Ripple, reduced over time by a fee of 1.95% p.a.	Mandatory Redemption	The Issuer is entitled to Mandatory Redemption if certain events occur, as stated in the product conditions.
Rights of bondholders	GXRP holders may return the product for Ripple at any time or, if a payout in Ripple is not possible due to applicable regulatory requirements, the equivalent value in USD (the exact amount is determined in the product conditions).		

Intended retail investor

The product is intended for private investors who:

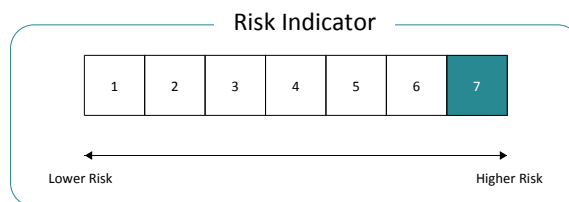
- are able to bear a total loss of the amount invested;
- are seeking a speculative investment opportunity that is accompanied by the expectation that the underlying will gain sufficient value over time to exceed any fees;
- have only limited technical capabilities or lack the relevant technical expertise and therefore, instead of investing directly in Ripple with the aid of bearer bonds with a value based on the Ripple price, would like to invest in Ripple without having to hold Ripple themselves during the lifetime of the product;
- recognise that the value of the product can change frequently due to the extremely volatile underlying and, as a result, have sufficient time to actively monitor and manage the investment;
- have advanced knowledge and/or experience with comparable financial products and understand the cost structure of the product, including the Cryptocurrency Entitlement that decreases daily.

What are the risks and what could I get in return?

Risk Indicator



The Risk Indicator assumes you keep the product for the recommended holding period of 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell it at a price that significantly impacts on how much you get back.



The Summary Risk Indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Issuer is unable to pay you. We have classified this product 7 out of 7 which is the highest risk class.

This rates the potential losses from future performance at a highest level, and poor market conditions are very likely to impact the capacity to pay you. **Be aware of currency risk, since the unit of account for the repayment can be either in Ripple or in USD. You might not receive payments in your local currency or the currency in which you wish to be repaid, meaning that your final return may depend on the exchange rate between the two currencies or units of account. This risk is not considered in the indicator shown above.** Owing to its structure, this product is subject to other risks, such as fluctuations in value and exchange rates between the date of execution and the date on which the Ripple are received, plus loss of the Ripple held or delivered. This risk is not considered in the indicator shown above. This product does not include any protection from future market performance. This means that you could lose some or all of the amount you invested. If the Issuer is unable to pay you the amount owed, you may lose your total amount invested.

Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The scenarios shown are illustrations based on certain assumptions. The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average and, and best performance of the product over the last 10 years. Markets could develop very differently in the future.

Recommended holding period:		5 years	
Example investment:		USD 10,000	
Scenarios		If you exit after 1 year	If you exit after 5 years (recommended holding period)
Minimum	There is no minimum guaranteed return. You could lose some or all of your investment.		
Stress scenario	What you might get back after costs Average return each year	USD 0 -100.0 %	USD 0 -100.0 %
Unfavourable scenario	What you might get back after costs Average return each year	USD 1,048 -89.5 %	USD 0 -100.0 %
Moderate scenario	What you might get back after costs Average return each year	USD 119,268 1,092.7 %	USD 61,194 43.7 %
Favourable scenario	What you might get back after costs Average return each year	USD 520,849 5,108.5 %	USD 6,923,461 269.9 %

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The stress scenario shows what you might get back in extreme market circumstances.

Unfavourable scenario: This type of scenario occurred for an investment between December 2017 and December 2022.

Moderate scenario: This type of scenario occurred for an investment between January 2017 and January 2022.

Favourable scenario: This type of scenario occurred for an investment between January 2013 and January 2018.

What happens if ETC Issuance GmbH is unable to pay out?

Although GXP is a product that is secured with Ripple, the Investor bears the risk that the Issuer may not be able to fulfil its obligations in relation to the product, for example in the event of the Issuer's insolvency. The Issuer is a special purpose vehicle with no business activities of its own. As a result, the exclusive purpose of the Issuer is to issue this product. For example, the Issuer may only have access to the Ripple deposited to hedge GXP as a means of meeting all issue or payment claims relating to the product. This product grants you right to the deposited Ripple or to the security rights held by the Collateral Trustee through the custody account and through the Issuer's securities account. The occurrence of different scenarios with regard to these Ripple and the claims to the security rights may affect the ability of the Issuer to meet its obligations under the product conditions. Although the Issuer undertakes to deposit a sufficient amount of Ripple with BitGo Trust Company to cover all GXP claims, there is a risk that the Ripple deposited by the Issuer to hedge GXP will not be sufficient to meet your redemption request or payment claims. A total loss of the invested capital is possible. There is no obligation to make further contributions. The product is not a deposit and is not subject to deposit protection.

What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods. We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return). For the other holding periods we have assumed the product performs as shown in the moderate scenario
- USD 10,000 is invested

	If you exit after 1 year	If you exit after 5 years (recommended holding period)
Total costs	USD 242	USD 7,101
Annual cost impact*	2.4%	3.2%

* This illustrates how costs reduce your return each year over the holding period. For example it shows that if you redeem at the recommended holding period your average return per year is projected to be 46.9% before costs and 43.7% after costs.

Composition of Costs

One-off costs upon entry or exit		If you exit after 1 year
Entry costs	These costs are already included in the price you pay *	USD 8
Exit costs	These costs are already included in the price you receive **	USD 31
Ongoing costs taken each year		If you exit after 1 year
Management fees and other administrative or operating costs	1.95% of the value of your investment per year.	USD 204

On the date of updating this key information document, the Issuer had not charged any one-off costs.

* Secondary-market investors trade directly with a participating broker or via a stock exchange and pay the fees charged by their broker. The trading margins are publicly available on the stock exchanges on which the product is listed, or can be requested from brokers. You can find out the actual costs from your broker, financial adviser or sales company. The costs displayed above are estimates of such costs.

** Does not apply to secondary-market investors. If an investor decides to terminate the product instead of selling it on the stock exchange or on the OTC market, they may have to pay a upfront redemption fee of EUR 50 (waived by the issuer in certain situations) plus an exercise fee of 1%. Secondary-market investors trade directly with a participating broker or via a stock exchange and pay the fees charged by their broker. The trading margins are publicly available on the stock exchanges on which the product is listed, or can be requested from brokers. You can find out the actual costs from your broker, financial adviser or sales company.

How long should I hold it and can I take my money out early?

The recommended holding period of the product is 5 years

However, since Ripple are very volatile, investors should constantly monitor the value of the product, as sudden changes in value can occur frequently and abruptly.

Investors can sell the product on the regulated market on which it is listed. You can alternatively sell the product over the counter by submitting a redemption application to an Authorised Participant or directly to the Issuer and surrendering the product to them. You must instruct your custodian bank responsible for executing the order for the specified product accordingly. After execution, you will receive 14.77111761 Ripple less 1.95% p.a. administration fee, less repayment fees (calculated from the date of issue of GXRP) as described above under "What type of product is it?".

Stock exchange listing	Frankfurt Stock Exchange – regulated market (XETRA); and from time to time additional stock exchanges	Last trading day on the stock exchange	One exchange trading day before the early redemption date, if the Issuer redeems the investment
Smallest tradable unit	1 unit of product	Listing	Listing per unit

In exceptional market situations or in the event of technical problems, it may be temporarily difficult or impossible to buy or sell the product.

How can I complain?

Complaints about the person/entity who/that advised you or sold the product to you may be lodged directly with the relevant person. Complaints regarding the product or behaviour of the Issuer of this product may be posted in writing to ETC Issuance GmbH, Thurn- und Taxis-Platz 6, 60313 Frankfurt am Main, Germany, or emailed to complaints@etc-group.com. Complaints should include the name of the product, the ISIN and the reason for the complaint.

Other relevant information

Updated and additional documents relating to the product, particularly the prospectus and any supplements, are published on the <https://etc-group.com> website in accordance with the relevant statutory provisions. We recommend that you read these documents for more information, especially about the structure of the product and the risks associated with investing in the product.